

Message Text

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SUBJECT: US GOALS AND OBJECTIVES FOR EUROPEAN COMMUNITIES

REF: (A) STATE 296053, (B) 291277

I. INTRODUCTION

THIS IS A TIME OF GREAT ECONOMIC AND POLITICAL UNCERTAINTY IN SEVERAL OF THE EC MEMBER COUNTRIES. THROUGHOUT THE COMMUNITY, THE ELECTORATE'S ATTENTION IS FIXED ON SUCH POCKET-BOOK ISSUES AS EMPLOYMENT AND INFLATION. EACH MEMBER STATE IS ADMINISTERED BY A COALITION OR MINORITY GOVERNMENT WHOSE PREOCCUPATIONS ARE STAYING IN POWER AND SO MANAGING THE COUNTRY'S ECONOMIC PROBLEMS AS TO BE ABLE TO DO SO. FRANCE GOES TO THE POLLS IN MARCH, AND THE UK AND ITALY WILL PROBABLY HAVE NEW ELECTIONS WITHIN THE

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NEXT YEAR OR SO.

THE EC GOVERNMENTS BELIEVE THEY HAVE A THIN MARGIN OF MANEUVER, THEY TEND TO BE UNDULY SENSITIVE AND QUERULOUS AS THEY FACE THE EXTERNAL WORLD, AND THEY ARE LESS INCLINED THAN IN MORE PROSPEROUS TIMES TO MAKE THE NECESSARY COMPROMISES OF IMMEDIATE NATIONAL INTEREST TO FACILITATE COMMUNITY SOLUTIONS TO PROBLEMS, EVEN WHEN THIS WOULD DEMONS-

TRABLY BRING THEM GREATER LONG-TERM BENEFITS. AGAINST A BACKDROP OF GROWING PROTECTIONISM, PESSIMISM, AND DEFENSIVENESS IN EC MEMBER STATES (CERTAINLY REFLECTED IN THE EC COUNCIL, BUT ALSO, TO SOME EXTENT, IN THE COMMISSION), THE USG AND USEC PURSUE OUR OBJECTIVES WITH THE COMMUNITY. THE FOLLOWING ANALYSIS OF HOW THE USG AND THE MISSION SHOULD APPROACH THE MAJOR ISSUES IN U.S.-EC RELATIONS IN THE YEAR AHEAD ASSUMES THAT MEMBER STATE GOVERNMENTS RETAIN APPROXIMATELY THEIR PRESENT MAKE-UP. SHOULD THIS ASSUMPTION PROVE INCORRECT -- THE MOST CONSEQUENT CHANGE IN THIS REGARD WOULD BE THE COMING TO POWER OF THE LEFT IN FRANCE -- WE WOULD NEED TO RE-EXAMINE THIS OVERALL ANALYSIS AND PRESENT APPROACHES. NO ONE IN EC CIRCLES IN BRUSSELS PRETENDS TO KNOW HOW THE ADVENT OF A LEFTIST FRENCH GOVERNMENT MIGHT AFFECT EC OPERATIONS, BUT THERE IS A FAIRLY GENERAL, INSTINCTIVE CONCERN THAT, AT BEST, FOLLOWING SUCH AN EVENT, COMMUNITY DECISION-MAKING AND ACTIONS WOULD SLOW, AS THE NEW TEAM IN PARIS DEFINED AND ELABORATED FRANCE'S EXTERNAL POLICIES, INCLUDING THE GOF'S ROLE IN THE EC. AT WORST, THE COMMUNITY ITSELF WOULD BE IN DANGER.

INDEED, WITH ALL INDICATIONS SUGGESTING THAT THE NEXT FRENCH GOVERNMENT, WHATEVER ITS MAKEUP, WHETHER LEFT OR RIGHT, WILL BE BESET BY GREAT POLITICAL PROBLEMS, THE PROSPECT FOR AN EXTENDED PERIOD OF IMMOBILITY, IF NOT CONFIDENTIAL

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CHAOS, IN THE COMMUNITY IS SIGNIFICANT. THE CONSEQUENCES FOR NEAR-TERM U.S. OBJECTIVES, ESPECIALLY RELATING TO THE MTN AND NON-PROLIFERATION ISSUES, COULD BE DRAMATIC.

II. KEY ISSUE AREAS

A. MAIN ISSUES IN U.S.-EC RELATIONSHIP

(1) TRADE/INVESTMENT

- (A) TRADE

- THE MAIN ISSUE WE FACE IN OUR NEAR-TERM RELATIONS WITH THE EC IS TO MAINTAIN AN OPEN TRADING SYSTEM IN THE FACE OF RISING PRESSURES IN BOTH EUROPE AND THE U.S. FOR INCREASING PROTECTION EITHER IN SPECIFIC SECTORS (STEEL, TEXTILES, SHOES, ELECTRONICS, POSSIBLY AUTOS, ETC.), OR ACROSS THE BOARD, WITH THE UNACCEPTABLE CONSEQUENCES THIS WOULD HAVE FOR A SUCCESSFUL MTN. WE MUST, THEREFORE, CONTINUE EFFORTS TO AVOID PROTECTIONISM WHERE POSSIBLE, MITIGATE ITS EFFECTS WHEN UNAVOIDABLE, AND ENSURE THE CONTINUED ABILITY OF THE U.S. TO COMPETE

IN THE EC AND THIRD-COUNTRY MARKETS.

- THESE OBJECTIVES ARE FULLY IN LINE WITH U.S. POLICY. THEY ARE CENTRAL TO OUR STRATEGY IN THE CURRENT MTN. SUCCESS IN THE MTN COULD GO A LONG WAY TOWARD REDUCING THE APPEAL OF PROTECTIONISM AND THE TEMPTATION

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OF GOVERNMENTS, UNDER PRESSURE, TO YIELD TO IT. IT IS IMPORTANT THAT ALL LEVELS OF THE USG, STARTING WITH THE PRESIDENT, CONTINUE TO LEND SUPPORT TO EFFORTS TO ACHIEVE A SIGNIFICANT RESULT FROM THE MTN AND TO AVOID RESTRICTIVE ACTIONS WHICH WOULD COMPROMISE THIS OBJECTIVE. FOR THE MISSION'S PART, WE WILL CONTINUE TO MONITOR MTN AND OTHER TRADE DEVELOPMENTS AS CLOSELY AS POSSIBLE, AND TO REPORT PROMPTLY ON HOW EC ACTIONS OR CONTEMPLATED ACTIONS MIGHT AFFECT U.S. INTERESTS. THE MISSION'S ROLE IN THIS AREA IS ESSENTIALLY THAT OF GATHERING AND ANALYZING INFORMATION, MAKING RECOMMENDATIONS TO WASHINGTON, AND PROVIDING SUPPORT AS REQUIRED FOR THE MTN NEGOTIATING TEAM. WE WILL CONTINUE TO ACCORD OUR HIGHEST PRIORITY TO THESE EFFORTS IN THE COMING MONTHS.

- THESE OBSERVATIONS APPLY NOT ONLY TO OUR TRADE

IN INDUSTRIAL COMMODITIES BUT ALSO TO ISSUES SPECIFICALLY
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RELATED TO AGRICULTURAL TRADE. IN THIS AREA, WE ARE
GIVING PRIORITY ATTENTION TO BACKSTOPPING NEGOTIATIONS
FOR AN INTERNATIONAL WHEAT AGREEMENT, EXPLORING AND
ANALYZING WHAT THE EC HAS IN MIND WITH REGARD TO FEED
GRAINS, AND PRESSING FOR MEANINGFUL EC OFFERS ON CITRUS,
TOBACCO, AND OTHER U.S. AGRICULTURAL EXPORTS.

- THE MISSION FEELS THAT IN THE CONTEXT OF DIS-
CUSSIONS OF THE POSSIBILITY OF CONCLUDING AN INTERNATIONAL
ARRANGEMENT FOR FEEDGRAINS THE EC MIGHT SEEK SOME SORT
OF PRICE ASSURANCES FROM THE UNITED STATES ON SOYBEANS
AND SOYBEAN PRODUCTS. THE MISSION HOPES SOYBEANS CAN
BE KEPT OUT OF THE MTN, BUT WASHINGTON SHOULD BE PREPARED
TO DEAL WITH SUCH A REQUEST.

- ALSO IN THE AGRICULTURAL FIELD, WE HAVE
HISTORICALLY HAD PROBLEMS WITH THE EC'S ALMOST TOTAL
RELIANCE ON PRICING POLICY TO SUPPORT FARM INCOME AND
CONTROL SUPPLY. RECENTLY, WE HAVE NOTED A GREATER
INTEREST IN STRUCTURAL REFORM AND SOME CAUTIOUS AND
MODEST MOVEMENT TOWARD THE USE OF DEFICIENCY PAYMENTS
INSTEAD OF PRICE SUPPORTS. WE WILL CONTINUE TO ENCOURAGE
THIS MOVEMENT.

- (B) INVESTMENT

- IN ITS ATTEMPTS TO PERFECT THE COMMON MARKET,
THE EC COMMISSION HAS COMMITTED ITSELF TO HARMONIZATION
OF PRODUCT STANDARDS AND REGULATIONS WHERE DIFFERENT
NATIONAL STANDARDS OR LAWS HINDER INTRA-EC TRADE AND
INVESTMENT. THE RANGE OF THIS ACTIVITY EXTENDS, FOR
EXAMPLE, FROM SAFETY SPECIFICATIONS FOR AUTOMOBILES,
THROUGH TOXIC SUBSTANCES, TO LAWS CONCERNING CORPORATE
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STRUCTURE. EC ACTIONS IN THESE AREAS ARE NOT DESIGNED
PURPOSELY TO AFFECT U.S. INTERESTS, BUT SUCH ACTIVITIES
CAN NEVERTHELESS ADVERSELY INFLUENCE THE FORTUNES OF
EC-BASED U.S. INVESTMENT.

- THE MISSION WILL KEEP ABREAST OF PROPOSALS IN
THIS AREA AND ENSURE THAT WASHINGTON POLICY-MAKERS AND
THE U.S. BUSINESS COMMUNITY, IN EUROPE AS WELL AS IN THE

UNITED STATES, ARE KEPT INFORMED. SINCE THE MISSION CANNOT ALWAYS JUDGE THE POTENTIAL IMPACT OF PROPOSED ACTIONS, IT WILL ALSO RELY ON WASHINGTON AND UPON ITS CONTACTS WITH THE U.S. BUSINESS COMMUNITY IN EUROPE TO HELP EVALUATE MEASURES UNDER CONSIDERATION BY THE EC AND, WHEN NEEDED, TO DEVELOP A RESPONSE.

(2) NUCLEAR/ENERGY

- (A) NUCLEAR NON-PROLIFERATION GOALS

- U.S. EFFORTS TO IMPROVE THE EFFECTIVENESS OF IAEA SAFEGUARDS WORLD-WIDE, OUR NEED TO RENEGOTIATE THE U.S.-EURATOM NUCLEAR COOPERATION AGREEMENTS, AND OTHER U.S. NON-PROLIFERATION INITIATIVES ARE CAUSING STRAINS IN OUR RELATIONS WITH THE EC. THE EC SHARES OUR CONCERN ABOUT NUCLEAR PROLIFERATION BUT MANY EUROPEANS BELIEVE THAT OUR APPROACH TO THE PROBLEMS FOCUSES TOO MUCH ON TECHNICAL FIXES AND NOT ENOUGH ON INSTITUTIONAL AND POLITICAL MEASURES. SPECIFICALLY, EUROPEANS ARE CONCERNED THAT U.S. NON-PROLIFERATION OBJECTIVES HAVE BEEN DEFINED AND ARE BEING IMPLEMENTED IN WAYS THAT DO NOT TAKE ADEQUATE ACCOUNT OF:

- (I) EUROPE'S PERCEIVED NEED TO DEVELOP A

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SECURE SOURCE OF SUPPLY OF ENRICHED URANIUM TO SUPPORT THE EXPANSION OF ITS NUCLEAR POWER CAPABILITY, SEEN HERE AS THE ONLY MEDIUM-TERM OPTION AVAILABLE TO REDUCE DEPENDENCE ON IMPORTED OIL; AND

- (II) EURATOM'S UNIQUE ARRANGEMENTS, USING A MULTINATIONAL SYSTEM TO BOTH SUPPLY AND SAFEGUARD EUROPEAN NUCLEAR REACTORS.

- THESE CONCERNS TRANSLATE INTO A STRONG DRIVE TO DEVELOP AN INDIGENOUS EUROPEAN REPROCESSING CAPABILITY TO SUPPORT A FUTURE GENERATION OF FAST BREEDER REACTORS (THUS ENHANCING SECURITY OF SUPPLY) AND FRUSTRATION OR RESENTMENT OF WHAT IS SEEN AS U.S. PRESSURE, EVEN CONNIVANCE WITH THE SOVIETS, TO WEAKEN THE EURATOM SAFEGUARD ROLE IN FAVOR OF IAEA. WHEN COUPLED, AS THEY HAVE BEEN OVER THE PAST YEAR, WITH PERIODIC INTERRUPTIONS

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IN SHIPMENTS OF ENRICHED URANIUM FROM THE U.S., ABRUPT AND (TO THEM) OVERBEARING CHANGES IN REQUIREMENTS FOR INFORMATION TO JUSTIFY CONTINUED SUPPLY, AND THE REQUIREMENTS OF THE NEW NON-PROLIFERATION ACT WHICH THEY SEE BOTH AS UNDERMINING THE INTEGRITY OF THE NUCLEAR COMMON MARKET AND PREJUDGING THE RESULTS OF INFCE, THEY RESULT IN THE CURRENT ATMOSPHERE OF SUSPICION ABOUT U.S. MOTIVES AND A REINFORCED DETERMINATION TO RESIST FURTHER EROSION OF THEIR SYSTEM, ALMOST REGARDLESS OF THE MERITS OF SPECIFIC POINTS IN DISPUTE.

- THE MOST IMMEDIATE ISSUES ARE THE COMPLETION OF FACILITY ATTACHMENTS UNDER THE EURATOM-IAEA VERIFICATION AGREEMENT AND THE U.S. NEED FOR A COMMITMENT TO RENEGOTIATE THE U.S.-EURATOM AGREEMENTS. HOWEVER, THE UNDERLYING PROBLEM WILL REMAIN EVEN IF THESE ISSUES ARE RESOLVED, AND IT IS TO THAT BASIC PROBLEM OF GROWING DISTRUST THAT THE FOLLOWING RECOMMENDATIONS ARE DIRECTED.

- WE RECOMMEND THAT WASHINGTON (1) REASSURE THE EC OF U.S. APPRECIATION OF THE EFFECTIVENESS OF THE EURATOM SAFEGUARDS SYSTEM; (2) GIVE FURTHER PRACTICAL (NOT JUST VERBAL) ASSURANCE TO EUROPE REGARDING THE RELIABILITY OF THE U.S. AS A SUPPLIER OF URANIUM AND ENRICHMENT SERVICES (E.G., FUEL BANK); (3) BROADEN OUR OFFER TO HELP EUROPE DISPOSE OF SPENT NUCLEAR FUEL; (4) TRY TO REDUCE THE CONFLICTS ARISING FROM REAL OR IMAGINED COMMERCIAL COMPETITION BY ENCOURAGING MULTINATIONAL CROSS INVESTMENT IN THE NUCLEAR EQUIPMENT AND

FUEL PROCESSING INDUSTRY; (5) CONTINUE TO GIVE HIGH PRIORITY TO INFCE AND ASSURE ALL PARTICIPANTS THAT THEIR VIEWS ON ALL ISSUES, BUT PARTICULARLY BREEDERS, WILL BE HEARD AND TAKEN INTO ACCOUNT; AND (6) INFORM THE EC
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THAT THE ADMINISTRATION WILL REQUEST AMENDMENT OF ITS NUCLEAR EXPORT AND NON-PROLIFERATION LEGISLATION IF SUCH FUTURE CHANGES ARE INDICATED DESIRABLE BY INFCE.

- THE UNDERSTANDING AND COOPERATION OF THE DOE, NUCLEAR REGULATORY COMMISSION, AND ACDA WILL BE NEEDED IN THE APPLICATION -- ON A REALISTIC AND CONSTRUCTIVE BASIS -- OF U.S. NON-PROLIFERATION OBJECTIVES IN REGARD TO THE EC, INCLUDING THE EXPORT LICENSING OF NUCLEAR MATERIALS AND APPLICATION OF IAEA SAFEGUARDS.

- (B) ENERGY POLICY

- CONTINUED CONFLICTS BETWEEN THE NATIONAL GOALS OF EC MEMBER STATES MAY WELL PREVENT ADOPTION OF COMMON POLICIES ON THE MORE IMPORTANT, BUT CONTROVERSIAL, ELEMENTS OF AN ENERGY POLICY. NATIONAL PROGRAMS MAY SUCCEED IN SOME REDUCTION OF PETROLEUM CONSUMPTION IN THE COMMUNITY. EC ARRANGEMENTS FOR ALLOCATING SUPPLIES IN THE EVENT OF A NEW OIL SHORTAGE ARE GENERALLY CONSISTENT WITH THOSE OF THE IEA. HOWEVER, THE FACT THAT FRANCE IS NOT IN THE IEA ENHANCES THE INTEREST WHICH THE U.S. HAS IN THE DEVELOPMENT OF COMMON EC POLICIES WHICH ARE BROADLY CONSISTENT WITH IEA PROGRAMS AND GOALS IN OTHER ENERGY AREAS WHICH WILL TIE THE FRENCH (AND OTHER EC MEMBERS) MORE SECURELY INTO THE COMMON SYSTEM THROUGH CONTRACTUAL OBLIGATIONS WHICH ARE EITHER NONEXISTENT, OR LESS BINDING, IN THE IEA.

- THE U.S. SHOULD CONTINUE EFFORTS TO STRENGTHEN THE IEA AND TO ASSOCIATE THE EC (AND FRANCE) MORE ACTIVELY

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IN PROGRAMS TO ADVANCE OUR GLOBAL ENERGY OBJECTIVES. WE BELIEVE THE TIME IS RIPE FOR A NEW ENERGY INITIATIVE -- PERHAPS TO BE FORMALIZED AT THE BONN ECONOMIC SUMMIT IN JULY -- TO BUILD ON THE AGREED IEA TARGETS FOR REDUCING DEPENDENCY ON IMPORTED OIL BY TRYING NOW TO AGREE ON TARGETS FOR INCREASING INVESTMENT IN THE DEVELOPMENT OF ALTERNATIVE SOURCES AND IN THE APPLICATION OF CONSERVATION TECHNOLOGIES, POSSIBLY INVOLVING AN AGREED "MENU" OF POLICY OPTIONS FOR NATIONAL IMPLEMENTATION (E.G., TAX CREDITS, ACCELERATED DEPRECIATION, INTEREST-SUBSIDIZED LOANS, ETC.).

- WE BELIEVE WE CAN MAKE A FURTHER USEFUL CONTRIBUTION TO ACHIEVEMENT OF THE ABOVE OBJECTIVES BY STRENGTHENING OUR EFFORTS TO INCREASE U.S.-EC COOPERATION ON ENERGY R & D, INCLUDING NON-NUCLEAR ENERGY. THE MISSION HAS BEEN ACTIVE IN THIS AREA, STIMULATING INTEREST
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BY ENCOURAGING A BROADER EXCHANGE OF INFORMATION ON U.S. AND EC PROGRAMS. TWO PROGRAMS ON RADIOACTIVE WASTE MANAGEMENT AND THE ENVIRONMENTAL EFFECTS OF ENERGY SOURCES ARE UNDER WAY. THERE IS CONSIDERABLE INTEREST IN THE EC IN EXPANDING SUCH COOPERATION, AND WE URGE THE ACTIVE SUPPORT OF THE DOE IN MOVING PROMISING ACTIVITIES FORWARD.

(3) FISH

- RECENT DECISIONS BY THE EC COUNCIL SUGGEST THAT THE COMMUNITY MAY SOON DECIDE THAT U.S. AND EC ACCESS TO EACH OTHER'S WATERS SHOULD BE STRICTLY ON THE BASIS OF RECIPROCITY IN THE VALUE OF CATCH. ONCE THE COMMISSION HAS

RESOLVED ITS MORE URGENT FISHERY ISSUES, WE THINK IT
LIKELY THE COMMUNITY WILL RESPOND FAVORABLY TO THE RECENT
U.S. PROPOSAL TO NEGOTIATE A REGIONAL SHRIMP FISHERIES
ACCORD. WE EXPECT, HOWEVER, THAT THE COMMUNITY WILL TRY
TO LINK U.S. ACCESS TO WATERS OFF FRENCH GUIANA TO EC
FISHING RIGHTS IN THE U.S. NORTHWEST ATLANTIC FISHERY.

- WHILE WE CANNOT GUARANTEE THAT THESE NEGOTIATIONS
WILL RESULT IN AN AGREEMENT THAT FULLY, OR EVEN MAINLY,
MEETS U.S. OBJECTIVES, WE DO BELIEVE THAT THE CLIMATE
WITHIN WHICH FISHERY ISSUES WILL BE DEBATED CAN BE
CONSIDERABLY IMPROVED BY MORE TIMELY AND PRECISE
WASHINGTON REPLIES TO COMMISSION INQUIRIES ON FISHING
PROBLEMS THAN HAS BEEN THE CASE DURING THE PAST YEAR. IN
THIS CONTEXT, WE RECOGNIZE THAT THERE ARE CONSTRAINTS ON
WASHINGTON'S ABILITY TO REACT POSITIVELY TO EC REQUESTS
CONCERNING U.S. FISHERY MANAGEMENT POLICY, PARTICULARLY
WITH RESPECT TO EC COMPLAINTS REGARDING REDUCED CATCH
QUOTAS. HOWEVER, WE ALSO BELIEVE THAT GREATER U.S.
FLEXIBILITY ON PURELY TECHNICAL ISSUES WOULD IMPROVE THE
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CLIMATE OF OUR FISHERY RELATIONS WITH THE COMMUNITY.

- ONE PARTICULAR ISSUE WHICH SEEMS AMENABLE TO
FAVORABLE CONSIDERATION BY WASHINGTON INVOLVES THE LONG-
STANDING EC REQUEST THAT, INSTEAD OF ALLOCATION OF INDI-
VIDUAL QUOTAS FOR EC MEMBER STATES, THE U.S. ALLOCATE A
SINGLE COMMUNITY QUOTA, WHICH WOULD BE BROKEN DOWN
INTERNALLY BY THE EC COUNCIL. SUCH AN ARRANGEMENT,
WHICH ALREADY OBTAINS WITH RESPECT TO EC MEMBER STATE
QUOTAS FOR FISHING IN NORWEGIAN WATERS, IS VIEWED BY
COMMISSION FISHERY OFFICIALS AS FULLY CONSISTENT WITH --
INDEED NECESSARY TOO -- A COMMON COMMUNITY FISHERY POLICY.

B. INTERNAL EC ISSUES IMPACTING ON U.S. INTERESTS

(1) ENLARGEMENT

- COMMUNITY OFFICIALS HAVE SHOWN GREAT INTEREST IN
U.S. VIEWS ON EC ENLARGEMENT, AND THIS MISSION HAS MADE
CLEAR AT EVERY LEVEL OF THE COMMISSION AND THE COREPER
U.S. SUPPORT FOR ENHANCED EC TIES WITH THESE MEDITERRANEAN
COUNTRIES. IN RESPONSE TO OCCASIONAL SPECIFIC QUESTIONS
FROM COMMUNITY OFFICIALS AND OBSERVERS, WE HAVE NOTED, IN
ACCORDANCE WITH PUBLICLY ANNOUNCED U.S. POLICY, THAT THE
U.S. FAVORS EC MEMBERSHIP FOR SPAIN.

- WHILE MISSION OFFICERS HAVE TO DATE CONFINED REMARKS
ON EC RELATIONS WITH GREECE AND PORTUGAL TO GENERAL EX-

PRESSION OF U.S. SUPPORT FOR ENHANCED TIES, IT IS ALMOST CERTAIN THAT, AS EC NEGOTIATIONS WITH THOSE COUNTRIES PROCEED, THE COMMUNITY WILL WISH TO KNOW MORE PRECISELY HOW MEMBERSHIP ARRANGEMENTS NEGOTIATED WITH THEM WOULD BE VIEWED BY THE U.S. INDEED, IF THE U.S. IS TO PROTECT ITS OWN INTERESTS ADEQUATELY, RELEVANT WASHINGTON AGENCIES SHOULD URGENTLY UNDERTAKE THE WIDE-RANGING ANALYSIS OF HOW U.S. INTERESTS MIGHT BE AFFECTED BY EC ENLARGEMENT,
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AS RECOMMENDED IN OUR 1977 PARM (77 EC BRUSSELS 3176).
IN ANY CASE, THE MISSION WILL STAY IN CLOSE TOUCH WITH

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ALL THE RELEVANT BRUSSELS PLAYERS IN THE ENLARGEMENT PROCESS AND CONVEY LINES OF THEIR THINKING PROMPTLY TO WASHINGTON AS THEIR PLANS UNFOLD. INTERNALLY, THE MISSION CONTINUES TO BE DIVIDED, ALONG THE LINES INDICATED IN USEC A-285, OVER WHETHER OR NOT ENLARGEMENT WOULD ADVANCE OVERALL U.S. INTERESTS.

(2) EC ECONOMIC POLICY

- THE WEIGHT OF THE EUROPEAN COMMUNITY IN THE WORLD ECONOMIC SYSTEM AND AS A TRADING PARTNER CAUSES EUROPEAN STABILIZATION POLICIES TO BE OF MAJOR INTEREST TO THE UNITED STATES. AT PRESENT, DECISIONS ON MONETARY AND FISCAL POLICIES ARE TAKEN IN THE MEMBER STATE CAPITALS, NOT IN COMMUNITY BODIES. NEVERTHELESS, REAL POLICY CO-ORDINATION IN THE COMMUNITY (AS OPPOSED TO MERE EXCHANGES OF VIEWS) IS INCREASING. AS THE ROLE OF THE COMMISSION

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IN PROVIDING INDEPENDENT ANALYSIS AND FOCUSING DISCUSSION BECOMES INCREASINGLY IMPORTANT, IT WILL PROVIDE NEW OPPORTUNITIES FOR US TO INFLUENCE THE COMMUNITY, ADVANCING ANALYSES AND RECOMMENDATIONS COMPATIBLE WITH U.S. INTERESTS AND OUR PREFERRED STRATEGY FOR WORLD DEMAND MANAGEMENT.

- WE WILL CONTINUE TO GIVE PRIORITY TO FOLLOWING, UNDERSTANDING, AND REPORTING THE RESULTS OF COMMISSION ECONOMIC ANALYSES, AND TO ALERT WASHINGTON TO THE KIND OF ADVICE BEING GIVEN TO MEMBER STATES. WE WILL ALSO MAKE MAXIMUM USE OF OUR GOOD CONTACTS AMONG THOSE INVOLVED IN THIS AREA IN THE COMMISSION TO CONTINUE TO INFLUENCE ITS POLICY OUTLOOK.

- SINCE COMMISSION POLICY RECOMMENDATIONS ARE IMPORTANT, E.G., AS ANOTHER SOURCE OF PRESSURE ON THE GERMANS FOR MORE EXPANSIONIST POLICIES, WE BELIEVE WE SHOULD HELP THIS PROCESS ALONG THROUGH MORE FREQUENT AND CLOSE CONTACT BETWEEN SENIOR U.S. POLICY-MAKERS AND COMMISSION OFFICIALS.

- VARIOUS PROPOSALS ARE CURRENTLY RECEIVING CONSIDERATION AIMED AT THE GOAL OF EC ECONOMIC AND MONETARY UNION. THOUGH POLITICAL INTEREST IS GROWING, PRESIDENT JENKINS' OBJECTIVE OF A JUMP TO EMU (PARTICULARLY MONETARY UNION) IS NOT LIKELY TO BE REACHED IN THE NEAR FUTURE. NEVERTHELESS, WE DISCERN A SERIOUS DISCUSSION DEVELOPING AND, SINCE PRESIDENT CARTER HAS MADE CLEAR WE WOULD WELCOME EXPANSION OF EUROPEAN UNITY TO ANY NEW AREAS THE EUROPEANS THEMSELVES CAN AGREE ON, WE SHOULD BECONSIDERING IF WE WISH TO ATTEMPT TO INFLUENCE ITS FORM AND, IF SO, HOW.

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- CERTAIN PROPOSALS INTENDED TO PREPARE THE WAY FOR EMU ARE OF EVEN SHORTER TERM INTEREST. AMONG THESE, PROPOSALS TO STRENGTHEN COORDINATION OF EXCHANGE RATE POLICY THROUGH THE IMPLEMENTATION OF A TARGET-ZONE SCHEME OR PROPOSALS TO ADOPT A COMMON REGIME TOWARD INTERNATIONAL CAPITAL FLOWS, COULD HAVE ADVERSE OR BENEFICIAL EFFECTS ON U.S. INTERESTS, DEPENDING UPON THEIR SPECIFIC FORM. IT IS, THEREFORE, IMPORTANT TO CONSIDER CAREFULLY SUCH PROPOSALS WHILE THEY ARE STILL IN THE FORMATIVE STAGES AND TO TRY TO STEER THE COMMISSION IN CONSTRUCTIVE DIRECTIONS. AGAIN, MORE COMMISSION EXPOSURE TO U.S. ECONOMIC POLICY-MAKERS IS CALLED FOR AND WE RECOMMEND EARLY VISITS TO BRUSSELS OF TREASURY SECRETARY BLUMENTHAL AND CEA CHAIRMAN SCHULTZE.

C. EXTERNAL RELATIONS

(1) GENERAL; EUROPE AND MEDITERRANEAN

- (A) GENERAL

- THE MISSION'S GOALS INCLUDE SEVERAL RELATING TO ENCOURAGING THE EC, ACTING EITHER THROUGH THE INSTITUTIONS OF THE COMMUNITY OR THE NINE IN POLITICAL COOPERATION, TO PLAY A CONSTRUCTIVE ROLE IN PROMOTING GLOBAL OR REGIONAL ECONOMIC GROWTH AND POLITICAL SECURITY. SUPPORT FROM WASHINGTON OVER THE PAST YEAR HAS GENERALLY BEEN VERY GOOD AND WE BELIEVE OVERALL U.S. INTERESTS, AS WELL AS U.S.-EC RELATIONS, HAVE BEEN WELL SERVED BY IT. WE WILL CONTINUE OUR EFFORTS HERE AND IN COOPERATION WITH THE U.S. EMBASSY IN THE PRESIDENCY COUNTRY TO ADVANCE THESE OBJECTIVES DURING THE COMING YEARS.

- THOUGH THESE EFFORTS CUT ACROSS A WIDE VARIETY OF U.S. FOREIGN POLICY OBJECTIVES, WE BELIEVE THEY CAN BE PARTICULARLY EFFECTIVE IN COMING MONTHS IN ADVANCING
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OUR HUMAN RIGHTS GOALS. THE MISSION WILL CONTINUE TO ENCOURAGE THE COMMUNITY TO INCLUDE THIS SUBJECT IN THE

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TEXT OF THE LOME II AGREEMENT WITH THE ACP COUNTRIES.
WE SHALL ALSO CONTINUE TO TRY TO FACILITATE DISCUSSION
OF HUMAN RIGHTS BETWEEN HIGH-RANKING U.S. AND COMMISSION
OFFICIALS. WE HEREWITH RENEW OUR RECOMMENDATION THAT
ASSISTANT SECRETARY DERIAN VISIT THE COMMISSION AT AN
EARLY DATE.

- (B) PORTUGAL

- DURING EC-PORTUGUESE ACCESSION NEGOTIATIONS
OVER THE NEXT TWO YEARS, THE MISSION WILL CONTINUE TO
ENCOURAGE THE COMMUNITY TO OFFER PORTUGAL EXTENSIVE AND
EFFECTIVE FINANCIAL SUPPORT. THOUGH THE EC MEMBER STATES
REJECTED A FORMAL COMMUNITY ROLE IN THE CURRENT FINANCIAL
SUPPORT PROGRAM, WE BELIEVE THERE IS A GENERAL CONSENSUS
THAT, IN SUCCEEDING YEARS, PRIMARY RESPONSIBILITY SHOULD
SHIFT TO THE COMMUNITY RATHER THAN REMAIN WITH ITS
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MEMBER STATES SEPARATELY. WE SUPPORT THIS APPROACH.

- (C) YUGOSLAVIA

- WITH THE EC-YUGOSLAVIA NEGOTIATIONS ON A
BROADENED ECONOMIC COOPERATION AGREEMENT NOW GETTING
UNDER WAY, THE MISSION IS FURTHER INTENSIFYING ITS

DIALOGUE WITH THE EC ON YUGOSLAVIA, PURSUANT TO STATE 301332 AND 32574, AND SHALL CONTINUE TO EMPHASIZE TO THE EC: (1) THE IMPORTANCE OF PARALLEL U.S. AND EC EFFORTS TO HELP YUGOSLAVIA MAINTAIN ITS PRECARIOUS BALANCE BETWEEN EAST AND WEST; AND (2) THE DESIRABILITY OF PARALLEL U.S.-EC EFFORTS WITH YUGOSLAVIA TO CREATE A MORE ATTRACTIVE CLIMATE FOR WESTERN BUSINESS AND INVESTMENT.

- (D) TURKEY

- THE MISSION WILL CONTINUE TO EMPHASIZE TO COMMISSION AND COREPER OFFICIALS THE IMPORTANCE OF THE U.S. AND WESTERN EUROPE WORKING TOGETHER TO KEEP AN INCREASINGLY QUERULOUS TURKEY ORIENTED TOWARD THE WEST. WE SHALL FURTHER ENCOURAGE EC OFFICIALS TO: (1) CONSIDER WAYS OF BALANCING POSSIBLE GREEK ACCESSION TO THE EC, PERHAPS, FOR EXAMPLE, THROUGH ENHANCED EC-TURKEY POLITICAL CONSULTATIONS AND THROUGH SOME MECHANISM TO ENSURE THAT THE EVOLUTION OF EC-TURKEY RELATIONS WILL NOT BE SUBJECT TO A GREEK VETO; AND (2) TO RENEGOTIATE THE EC-TURKEY ASSOCIATION AGREEMENT TO TURKEY'S ADVANTAGE, ESPECIALLY AS REGARDS INDUSTRIAL DEVELOPMENT ASSISTANCE.

- IF, IN ADDITION TO IMF, ANOTHER INTERNATIONAL EFFORT IS MOUNTED TO PROVIDE TURKEY FINANCIAL ASSISTANCE, CONFIDENTIAL

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THE MISSION RECOMMENDS ENCOURAGING A COMMUNITY-CUM-COMMUNITY CONTRIBUTION.

- (E) CYPRUS

- IN THE MONTHS JUST AHEAD, AS THE EC AND CYPRUS NEGOTIATE NEW LONG-TERM TRADE ARRANGEMENTS, THE MISSION WILL CONTINUE TO ENCOURAGE THE COMMUNITY TO BEAR IN MIND THE POLITICAL CONSEQUENCES OF FAILURE. TO PRESERVE EC SUPPORT FOR US POLICIES TOWARD CYPRUS TO THE OPTIMUM EXTENT, WASHINGTON SHOULD TRANSMIT REGULARLY TO THE MISSION AND TO THE U.S. EMBASSY IN THE EC PRESIDENCY COUNTRY THE USC'S EVALUATION OF POLITICAL AND ECONOMIC DEVELOPMENTS ON THE ISLAND.

(2) NORTH-SOUTH

- IN RECENT YEARS, COOPERATION BETWEEN THE U.S. AND EC IN DEALING WITH VARIOUS ASPECTS OF THE NORTH-SOUTH DIALOGUE HAS GENERALLY BEEN EFFECTIVE. THE MAIN ISSUE WITH RESPECT TO OUR GOALS IN THIS AREA IS TO PRESERVE THE SENSE OF UNITY AND COOPERATION WHICH HAS CHARACTERIZED

OUR APPROACH TO NORTH-SOUTH ISSUES IN THE FACE OF A TENDENCY BY CERTAIN EC MEMBER STATES (DENMARK AND THE NETHERLANDS) TO BE MORE CONCILIATORY TOWARD LDC DEMANDS THAN THE OTHER MEMBER STATES AND THE U.S. IN THE COMING YEAR, WE WILL VERY LIKELY FIND OPPORTUNITIES TO COORDINATE POLICIES WITH RESPECT TO RAW MATERIALS, DEBT, THE COMMON FUND, AND SEVERAL POSSIBLE COMMODITY AGREEMENTS.

- EC POLICIES ON NORTH-SOUTH ISSUES ARE BASED ON RECOMMENDATIONS FROM THE EC COMMISSION. WE WILL WORK CLOSELY WITH THE COMMISSION AS IT FORMULATES RECOMMENDATIONS, TO ENSURE THAT COMMISSION OFFICIALS HAVE THE BENEFIT OF EARLY U.S. APPRAISAL OF THE ISSUES AT STAKE. WE WILL STRESS THE DESIRABILITY OF MAINTAINING A HARMONY OF VIEWS
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AMONG THE DEVELOPED COUNTRIES ON N-S ISSUES. WE WILL
ALSO MAKE CLEAR OUR DESIRE TO MEET AS FAR AS POSSIBLE

THE LEGITIMATE REQUIREMENTS OF THE LDC'S AND TO AVOID CONFRONTATIONS. WE RECOGNIZE, OF COURSE, THAT THERE MAY BE OCCASIONS WHEN THE EC DEVELOPS A COMMON POLICY WHICH IS IN CONFLICT WITH OUR OWN POSITION. WE DO NOT BELIEVE THAT SUCH OCCURRENCES WILL ARISE OFTEN, HOWEVER, AND THEREFORE DO NOT BELIEVE WE SHOULD ANTICIPATE DEPARTING FROM OUR GENERAL POLICY OF ENCOURAGING THE EC TO SPEAK WITH ONE VOICE ON NORTH-SOUTH ISSUES.

- THE OTHER MAJOR NORTH-SOUTH AREA WHICH WILL OCCUPY COMMUNITY ATTENTION OVER THE COMING MONTHS IS THE RENEGOTIATION OF THE LOME CONVENTION WITH THE 53 ACP COUNTRIES. WE WILL BE ACTIVE TO MAINTAIN THE EXCLUSION OF REVERSE PREFERENCES AND OTHER DEVICES WHICH WOULD TEND TO GIVE THE EC A PREFERRED STATUS WITH THE ACP'S
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TO THE DETRIMENT OF U.S. INTERESTS. WE WILL ALSO ENCOURAGE THE COMMISSION IN ITS EFFORTS TO INSERT LANGUAGE ON HUMAN RIGHTS INTO THE NEW TREATY.

- WE CONTINUE TO BELIEVE THAT THE SCOPE FOR INCREASED COORDINATION BETWEEN USAID AND THE COMMISSION ON AID PROGRAMS AND POLICIES IS GREAT, AND WE WILL SUPPORT SUCH EFFORTS. WE URGE ACCEPTANCE OF THE COMMISSION'S INVITATION FOR A VISIT THIS SPRING BY AID ADMINISTRATOR GILLIGAN FOR A WIDE-RANGING DISCUSSION OF DEVELOPMENTAL ASSISTANCE WITH DEVELOPMENT COMMISSIONER CHEYSSON AND OTHER SENIOR COMMISSION OFFICIALS. IT IS ESSENTIAL THAT WASHINGTON PROVIDE CURRENT INFORMATION ON BILATERAL U.S. ASSISTANCE PROGRAMS IF THE GOAL OF MORE EFFECTIVE AID COORDINATION IS TO BE ACHIEVED.

(3) ILO

- SINCE IT IS THE INDIVIDUAL EC MEMBER STATES, ACTING BOTH INDIVIDUALLY AND UNDER THE AEGIS OF THE EC COUNCIL PRESIDENCY, WHICH DETERMINE WEST EUROPEAN GOVERNMENT POLICIES TOWARD THE ILO, U.S. DEMARCHES ON ILO REFORM CAN BEST BE MADE IN THE NINE EC CAPITALS, PARTICULARLY IN THE PRESIDENCY CAPITAL. HOWEVER, IN SUPPORT OF SUCH DEMARCHES, OVER RECENT MONTHS THE MISSION HAS ATTEMPTED TO IDENTIFY INFLUENTIAL OFFICIALS IN THE EC COMMISSION, MEMBER STATE PERMANENT DELEGATIONS, AND INTERNATIONAL LABOR ORGANIZATIONS WHO, BECAUSE OF THEIR CONTACTS WITH GOVERNMENTS AND LABOR OFFICIALS OUTSIDE BRUSSELS, MAY HAVE OPPORTUNITIES TO STIMULATE ILO REFORM ALONG LINES DESIRED BY THE U.S. THE MISSION IS REGULARLY FURNISHING U.S. VIEWS ON ILO DEVELOPMENTS TO THESE OFFICIALS AND WILL CONTINUE TO DO SO IN THE MONTHS AHEAD. TO ENHANCE

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THE VALUE OF THIS EFFORT, IT IS IMPORTANT THAT WASHINGTON PROVIDE US, ON A TIMELY AND CONTINUING BASIS, U.S. VIEWS ON DEVELOPMENTS RELATING TO STRUCTURAL AND OTHER CHANGES IN THE ILO WHICH HAVE A BEARING ON ANY FUTURE U.S. DECISION TO REJOIN.

D. STRENGTHENING US-EC RELATIONS

THE ADMINISTRATION'S EFFORTS TO DEMONSTRATE THE IMPORTANCE IT ATTACHES TO EUROPEAN INTEGRATION AND STRENGTHENED U.S.-EC RELATIONS HAVE BEEN MOST EFFECTIVE. THE CARTER AND MONDALE VISITS, U.S. SUPPORT FOR INCLUSION OF THE PRESIDENT OF THE COMMISSION IN ECONOMIC SUMMIT MEETINGS, SIGNIFICANT CONSULTATIONS AND VISITS TO BRUSSELS BY CABINET AND PRINCIPAL SUB-CABINET LEVEL OFFICIALS HAVE BEEN CONVINCING EVIDENCE FOR EVEN THE MOST SCEPTICAL EUROPEANS. THE MISSION WILL CONTINUE TO SEEK OPPORTUNITIES FOR FURTHER HIGH-LEVEL CONTACTS, HERE AND IN THE U.S.

OUR PUBLIC AFFAIRS PROGRAM IS CONCENTRATED ON THE GENERAL GOAL OF STRENGTHENING U.S.-EC RELATIONS. THE MISSION CONDUCTS A CONTINUING INFORMATION PROGRAM OF BRIEFINGS FOR JOURNALISTS, VISITING MEMBER STATE OFFICIALS, AND SCHOLARS. ANALYTICAL DOCUMENTS, ARTICLES, AND OFFICIAL STATEMENTS EXPLAINING U.S. POLICIES AND ACTIONS ON MATTERS OF CONCERN TO THE COMMUNITY ARE REGULARLY DISTRIBUTED TO EC OFFICIALS, JOURNALISTS, AND OTHER OPINION LEADERS. THE AMBASSADOR AND OTHER MISSION OFFICERS ALSO DISCUSS U.S.-EC RELATIONS IN A VARIETY OF PUBLIC FORA.

ONE OF THE MORE EFFECTIVE MEANS OF EMPHASIZING THE SUBSTANCE AND HEIGHTENED IMPORTANCES OF U.S.-EC CONTACTS DEPENDS UPON THE WILLINGNESS OF SENIOR U.S. OFFICIALS TO MEET AS OFTEN AS POSSIBLE WITH THE PRESS. SUCH MEETINGS,

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WHEN ON THE RECORD, INVARIABLY PRODUCE WIDESPREAD
COVERAGE AND HAVE OFTEN SET THE TONE FOR FUTURE MEDIA
COVERAGE AND COMMENTARIES OF THE ISSUES CONCERNED.

BACKGROUNDERS FOR JOURNALISTS WITH OFFICIALS WHO CAN
SPEAK AUTHORITATIVELY CONCERNING THEIR CONSULTATIONS
WITH THE COMMUNITY ALSO SERVE TO EMPHASIZE THE FACT OF
SUCH CONTACTS AS AN IMPORTANT FEATURE OF U.S. POLICY
TOWARDS EUROPE, AS WELL AS CONTRIBUTING TO MORE INFORMED,
BETTER BALANCED REPORTING OF EVENTS AS THEY OCCUR, AND
MORE REALISTIC NEWS ANALYSIS.

U.S.-EC RELATIONS ARE ALSO STRENGTHENED BY THE
PERSONAL EXPERIENCES AND CONTACTS OBTAINED THROUGH AN
EXTENSIVE AND EFFECTIVE INTERNATIONAL VISITORS' EXCHANGE
PROGRAM. A HIGH MISSION PRIORITY FOR THE COMING YEAR
WILL BE TO MAINTAIN THE QUALITY OF OUR NOMINEES AND TO
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WORK TO REINVIGORATE THE EISENHOWER EXCHANGE PROGRAM.

AS RECOMMENDED IN LAST YEAR'S PARM, I CONTINUE TO
BELIEVE THAT THERE IS SCOPE FOR FURTHER ENHANCING THE
QUALITY AND CONTENT OF SUCH INTERACTION THROUGH THE
DEVELOPMENT OF A MORE STRUCTURED AND OFFICIAL PROGRAM
OF PERSONNEL INTERCHANGE TO COMPLEMENT THE USEFUL ACTI-
VITIES CURRENTLY SPONSORED THROUGH THE EISENHOWER FELLOW-
SHIP. WHILE THERE MIGHT BE SOME POLITICAL RESISTANCE
FROM CERTAIN MEMBER GOVERNMENTS, A CAREFULLY CONSTRUCTED
APPROACH TO THE COMMISSION COULD PREPARE THE GROUND FOR
A USEFUL PROGRAM. AS I NOTED LAST YEAR, IN THE AREAS
OF STANDARDS, ENVIRONMENTAL REGULATIONS, SOCIAL POLICY,

AND PERHAPS ECONOMIC ASSISTANCE, THERE WOULD BE MUCH TO BE GAINED BY DETAILING AMERICANS AND EUROPEANS TO EACH OTHER'S ORGANIZATIONS. I WOULD AGAIN REFER TO THE RECOMMENDATIONS FOR MOVING ALONG THIS TRACK WHICH I ADVANCED IN 77 EC BRUSSELS 3176.

WHILE OVERALL U.S.-EC RELATIONS HAVE NEVER BEEN BETTER, IT IS IMPORTANT THAT WE CONTINUE TO WORK TO STRENGTHEN THE SUBSTANCE OF OUR RELATIONSHIP AS THE SUREST GUARANTEE THAT U.S. INTERESTS WILL BE TAKEN INTO ACCOUNT AND ADVANCED AS MUCH AS POSSIBLE IN THE VARIETY OF ISSUE AREAS IN WHICH WE INTERACT ON EACH OTHER.

IN ADDITION TO THE AREAS DISCUSSED ABOVE, THERE ARE TWO OTHER IMPORTANT FIELDS IN WHICH WE URGE INCREASING ATTENTION OVER THE COMING TWO YEARS:

(1) EUROPEAN PARLIAMENT

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- THE PRESIDENT HAS MADE IT CLEAR TO THE HIGHEST LEVELS OF THE COMMUNITY -- THE EC COUNCIL PRESIDENCY AND THE COMMISSION PRESIDENT -- THAT THE U.S. SUPPORTS DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT (EP) AS A FURTHER STEP TOWARD EUROPEAN INTEGRATION. THIS MISSION EMPHASIZES THIS AT EVERY OPPORTUNITY, IN DISCUSSIONS WITH EC OFFICIALS, AND IN PUBLIC AND PRESS BRIEFINGS AND COMMENTS. THE EUROPEAN PARLIAMENT HAS ALWAYS BEEN RECEPTIVE TO BROADER CONTACTS WITH U.S. CONGRESS, AND THE MISSION HAS TAKEN, AND WILL CONTINUE TO TAKE, EVERY OPPORTUNITY TO ENCOURAGE THIS ATTITUDE. LEGISLATION IS SCHEDULED TO COME BEFORE CONGRESS THIS SPRING, WHOSE PURPOSE WOULD BE TO FORMALIZE PRESENT EP-CONGRESS EXCHANGES, AND TO INCLUDE THE SENATE ON THE U.S. DELEGATION FOR SUCH EXCHANGES. THE DEPARTMENT AND THE ADMINISTRATION SHOULD, AT AN EARLY DATE, MAKE CLEAR TO CONGRESS THE ADMINISTRATION'S SUPPORT FOR THE AIMS OF THE INTENDED LEGISLATION.

(2) INTERNATIONAL LABOR AND SOCIAL AFFAIRS

- PERSISTENT MISSION EFFORTS OVER THE PAST YEAR TO ENCOURAGE A HEIGHTENED SOCIAL AFFAIRS DIALOGUE HAVE BEGUN TO BEAR FRUIT AND WILL CONTINUE TO BE EMPHASIZED IN THE YEAR AHEAD IN THE BELIEF THAT SHARING INSIGHTS INTO COMMON PROBLEMS IN THE LABOR AND SOCIAL FIELDS WILL BE OF VALUE TO BOTH WEST EUROPEAN LEADERS AND THEIR U.S. COUNTERPARTS. DOL HAS INVITED EC COMMISSION VICE PRESIDENT VREDELING TO

WASHINGTON AND HE TENTATIVELY PLANS TO GO IN SEPTEMBER.
THIS IS AN EXCELLENT OPPORTUNITY TO LAY OUT AN EFFECTIVE
U.S.-EC WORK PROGRAM IN THIS FIELD, AND WE URGE THAT
WASHINGTON USE THE VISIT FOR THAT PURPOSE.

- SIMILARLY, THE MISSION IS WORKING WITH AFL-CIO
SECRETARY-TREASURER KIRKLAND AND THE COMMISSION TO TRY TO
ARRANGE A KIRKLAND VISIT HERE IN MAY. OVER THE MONTHS
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AHEAD THE MISSION WILL ALSO: KEEP ALIVE WITH THE EC

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COMMISSION AND THE DOL THE POSSIBILITY WE HAVE BROACHED
OF A MUTUAL EXCHANGE UNDER THE AEGIS OF THE EISENHOWER
FOUNDATION; WORK WITH DOL, U.S. LABOR ORGANIZATIONS,
AND BRUSSELS-BASED INTERNATIONAL LABOR ORGANIZATIONS
TO FURTHER STIMULATE VIP LABOR LEADER VISITS IN BOTH
DIRECTIONS; AND EXPLORE WITH USOECD AND ICA THE POSSI-
BILITY OF HOLDING A SEMINAR/COLLOQUIUM IN EUROPE WHICH

WOULD BRING U.S. AND EUROPEAN GOVERNMENT AND LABOR OFFICIALS TOGETHER TO DISCUSS COMMON HIGH-PRIORITY PROBLEMS SUCH AS TRADE PROTECTIONISM, PUBLIC SERVICE EMPLOYMENT AND SIMILAR JOB CREATION MEASURES, AND WINNING PUBLIC SUPPORT FOR REALISTIC ENERGY PROGRAMS.

III. PARTICIPATION BY OTHER AGENCIES

- THE NON-STATE DEPARTMENT AGENCY REPRESENTATIVES AT THIS MISSION (USIS, USDA, AND DOE) COOPERATE FULLY IN THE CONFIDENTIAL

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PURSUIT OF OVERALL MISSION GOALS AND OBJECTIVES. IN THE COMING YEAR OR MORE, I WOULD ANTICIPATE THAT THEY WILL CONTINUE TO PLAY CRUCIAL ROLES IN THE IMPLEMENTATION OF THESE OBJECTIVES AS THEY HAVE IN THE PAST. USIS REPS WILL BE PRIMARILY RESPONSIBLE FOR THE PUBLIC AFFAIRS ASPECTS OUTLINED IN SECTION II. D. ABOVE, AS WELL AS GIVING ME ADVICE ON THE FULL RANGE OF MISSION ACTIVITIES AS THEY ARE LIKELY TO AFFECT PUBLIC OPINION. USDA REPS MAKE A CENTRAL CONTRIBUTION TO OUR GOALS ON TRADE POLICY (AS OUTLINED IN SECTION II. A. (1)). THE DOE REP PROVIDES BOTH TECHNICAL AND POLICY SUPPORT FOR OUR NUCLEAR AND ENERGY ACTIVITIES, NOTED IN SECTION II. A. (2), AS WELL AS ADVICE ON BROADER ASPECTS OF OUR EVOLVING RELATIONS IN THE SCIENCE AND TECHNOLOGY AREA. ALL ELEMENTS WORK HARMONIOUSLY AND EFFECTIVELY AS AN INTEGRATED TEAM. HINTON

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